initiative or the Government of India's initiative, I think, it amounts to the same national interest and I appreciate it. I am sure, what you want is more connectivity from Kerala to the Gulf. We are ensuring it on a regular basis that the demand and supply ...*(Interruptions)*...

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO STARRED QUESTIONS

Loans to SSIs and agricultural sectors by public sector banks

†*386. SHRI JANESHWAR MISHRA: Will the Minister of FINANCE be pleased to state:

(a) the measures taken by Government to provide loans to small scale industries and agricultural sectors through public sector banks at cheap rate of interest;

(b) what is the percentage of rate of interest at which loans to these sectors are provided currently;

(c) what are the terms and conditions and time limit for loans without security; and

(d) details of loans sanctioned to small scale industrial units by banks during the past three years, State-wise?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) A policy was announced in June, 2004 envisaging doubling the flow of credit to agriculture from 2004-05 to 2006-07. Government has also announced a Policy Package which envisages doubling of credit flow from the public sector banks to the small and medium enterprises sector over the five years starting 2005-06. This policy would provide adequate enhancement of credit to SME sector.

As per the interest rate policy of Reserve Bank of India (RBI), interest rates on loans given by commercial banks have been deregulated. However, the interest rate on loans up to Rs. 2 lakh should not exceed the Benchmark Prime Lending Rate (BPLR) of the banks concerned. BPLR is fixed taking into account, *inter-alia*, their cost of funds, transaction cost and risk cost. Hence, the rate of interest on loans upto Rs. 2 lakhs is the barest minimum.

† Original notice of the Question was received in Hindi.

Further in case of crop loans, all public sector banks have been advised to reduce their lending rate to a single digit rate of not more than 9% per annum loans up to a ceiling of Rs. 50,000.

With regard to Small Scale Industries (SSIs), the Public sector banks have been advised to adopt the interest rate band of 2% above and below its prime lending rate (PLR) for secured advances and to examine having at least 3 slabs of rate of interest—for loans up to Rs. 50,000/- between Rs. 50,000/- and Rs. 2 lakh and above Rs. 2 lakh.

(c) The banks have been advised to waive margin/security requirements for agricultural loans up to Rs. 50,000/- and in the case of agri-business and agri-clinics for loans up to Rs. 5 lakh.

In respect of all SSI borrowers, banks have been advised to extend collateral free loans up to Rs. 5 lakh and consider increasing the exemption limit for obtention of collateral security for all SSI borrowal accounts from the existing Rs. 15 lakh to Rs. 25 lakh, based on good track record and financial position of the units, with the approval of their Board of Directors. To make available timely credit to the sector a time frame has been fixed for disposal of loan applications for SSI up to a credit limit of Rs. 25,000 within 2 weeks and those up to Rs. 5 lakh within 4 weeks, provided the loan applications are complete in all respects and accompanied by a 'check list'.

(d) State-wise data on outstanding advances of Public Sector Banks to the SSI sector during the last 3 years, *i.e.* as at the end of March 2002, 2003 and 2004 is given in the enclosed statement. (*See* below)

Statement

State-Wise outstanding advances of public sector banks to Small Scale Industries during the years 2002,2003 and 2004

(Rupees in Crores)

States	Amount Outstanding as at the end of March		
	2002	2003	2004
1	2	3	4
Haryana	2024	2077	2307
Himachal Pradesh	224	227	291

1	2	3	4
Jammu & Kashmir	160	154	189
Punjab	3806	4005	4551
Rajasthan	1831	1840	2086
Chandigarh	316	358	389
Delhi	3868	4443	4392
Assam	273	257	326
Manipur	19	22	23
Meghalaya	30	28	34
Nagaland	20	21	23
Tripura	22	30	30
Arunachal Pradesh	6	6	7
Mizoram	8	8	10
Sikkim	24	3	5
Bihar	667	601	593
Jharkhand	408	505	636
Orissa	725	711	858
West Bengal	3355	3544	3847
Andaman and Nicobar	5	7	23
Madhya Pradesh	1513	1422	1715
Chhattisgarh	365	471	524
Uttar Pradesh	4114	4204	4652
Uttaranchal	160	321	263
Gujarat	3064	2982	3488
Maharashtra	13054	10071	10769
Daman and Diu	10	9	23
Goa	224	188	146
Dadra & Nagar haveli	12	13	14
Andhra Pradesh	3415	3659	3734
Karnataka	3501	2877	3469
Kerala	1556	1607	1717

1	2	3	4
Tamil Nadu	5443	5933	7117
Pondicherry	43	42	61
Lakshadweep	0.05	0.1	0.2

(Data Provisional)

Autonomy to PSUs

*387. SHRI PRAMOD MAHAJAN: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Government propose to grant more autonomy to some Public Sector Undertakings;

(b) if so, the reasons therefor; and

(c) the names of such PSUs, which are likely to be benefited?

THE MINISTER OF STATE OF THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI SONTOSH MOHAN DEV): (a) and (b) As stated in the National Common Minimum Programme, the Government is pledged to devolve full managerial and commercial autonomy to successful profit making companies operating in a competitive environment. In pursuance of this policy, the Government has recently enhanced the powers delegated to Navratna, Miniratna and other profit making PSEs.

(c) 9 Navratna and 45 Miniratna PSEs will be benefited because of the enhanced powers delegated to them. Their names are given in the enclosed statement (*See* below). Other profit making PSEs, which satisfy the requisite conditions, will also be benefited.

Statement

Names of PSEs which are likely to be benefited because of the enhanced powers delegated to them

A. NAVRATNA CPSES

1. Bharat Heavy Electricals Limited
2. Bharat Petroleum Corporation Limited